

VI. Sub-Grantee Financial Monitoring, Expectations, and Reimbursement

- a. JGA financial responsibilities and oversight
 - i. JGA roles and responsibilities (reimbursement approval flow process, tracking, communication to sub-grantees about adjustments, filing, loading information into the spreadsheet/share drive, payment tracking/confirmation for nonprofits and city agencies, etc.)
- b. Sub-grantee financial expectations
 - i. Sub-grantees are expected to abide by all financial terms and conditions of their grant award as outlined in their award letter and award agreement. Among others, the key terms and conditions for sub-grantees include ensuring that expenditures are in line with their approved final budget and budget categories, and expenditures are for only allowable costs and follow government standards on travel and consultant rates.
 - ii. Sub-grantees are expected to spend the full amount of their grant award within the identified grant award period, with extensions to this period approved only in exceptional circumstances. Sub-grantees that expect to expend funds in a disproportionate manner throughout the grant period and/or that experience challenges in obligating/spending grant funds alert JGA accordingly through their programmatic reports. JGA grant managers track the pace and nature of sub-grantees' expenditures, and require further documentation, including a detailed spending plan for the award period, if sub-grantees are not expending funds in a timely fashion. If by the end of the third quarter, sub-grantees have not spent approximately 75% of their grant award and can't provide a compelling explanation for how they will ensure all grant funds are expended, the grant manager alerts the JGA director, and JGA determines whether funds should be de-obligated so JGA can identify another recipient to spend the funds down by the end of the fiscal year.
 - 1. Sub-grantees that fail to spend down their grant award by the end of the award period are flagged as high-risk sub-grantees for the future, and significantly jeopardize their ability, for at least the next fiscal year, of securing additional awards from JGA.
 - iii. As per the requirements of their federal award programs, sub-grantees provide a cash and/or in-kind organization match to JGA's grant award. Sub-grantees must meet the full amount of this match by the end of the grant award period in whatever proportion or manner they chose consistent with their final grant budget, but must provide quarterly updates to JGA on their match progress through the submission of their Financial Status Report forms to JGA every quarter. Similar to reimbursement requests, sub-grantees must provide JGA with financial documentation supporting all reported match expenditures, and the JGA grant manager tracks and ensures that sub-grantees meet their match in an appropriate and timely manner and record progress as such on JGA's tracking spreadsheet.
 - 1. Sub-grantees that fail to meet their match requirements by the end of the award period are flagged as high-risk sub-grantees for the future, and significantly jeopardize their ability, for at least the next fiscal year, of securing additional awards from JGA.

- iv. Sub-grantees that make individual equipment purchases in excess of \$5000 must develop an internal system for flagging that these purchases were made with federal funds. In addition, on a quarterly basis, sub-grantees complete and submit to their grant manager, along with their requests for reimbursement, JGA's Sub-grantee Equipment Purchase form, to document and report to JGA the details of all such purchases.
- v. Sub-grantees must identify and adhere to their own codified procurement policies and procedures regarding contracts with other vendors with the use of JGA grant funds. However, consistent with DOJ procurement policies, for any sole-source contract in excess of \$100,000, JGA requires sub-grantees to submit to JGA a Sole-source Justification form as a special condition of their grant award before funds are expended.

c. Reimbursement requests

- i. Required documentation for sub-grantees (forms and supporting documentation)
 - 1. Specific procedures for consultants with hourly rate
- ii. Submission process for sub-grantees (monthly/quarterly process and timelines)
- iii. JGA does not review requests for reimbursement submitted after the JGA deadline—the fifteenth of the month following the end of the month/quarter—or incomplete requests until the following month (i.e. if a request due by January 15 is not submitted until January 22 then JGA will not review the request until at least February 1).
 - 1. Sub-grantees that submit three late or incomplete requests within their grant award period, despite sufficient guidance and technical assistance provided by JGA, are designated a high risk sub-grantee and will be in danger of having their award de-obligated, and jeopardize their ability, for at least the next fiscal year, of securing additional awards from JGA
- iv. If at any time, a JGA employee has reason to believe that a sub-grantee is committing financial fraud or other kinds of misconduct with JGA federal grant funds, the employee reports this suspicion, through a brief written memo, to the JGA director. The director reviews the allegation, and if the director believes there is credible evidence that fraud or other financial misconduct has occurred, then within 48 hours, the director: suspends temporarily all reimbursement to the sub-grantee and notifies the sub-grantee programmatic and financial points of contact as well as the executive director of this suspension and the potential fraud investigation; submits an electronic report to the Department of Justice, Office of the Inspector General via their required Grantee Reporting Form; and simultaneously, alerts the District's Office of the Attorney General and provides them with the report submitted to DOJ. The director works at the direction and with the guidance of DOJ and the OAG to address the allegation. If there are no findings of fraud, abuse, or other financial misconduct then the director alerts the sub-grantee, and the sub-grantee resumes its grant award and project activities. If the DOJ or OAG determine that fraud has occurred then JGA abides by their decision in terms of the future status of the grant award and any financial and/or criminal penalties, and the JGA director, in collaboration with these

entities, sends a memo to the organization's executive director and board chair alerting them of the findings and next steps.

1. Organizations that unknowingly commit fraud or other financial misconduct with JGA funds are ineligible to receive JGA funding in the next fiscal year; organizations that knowingly commit fraud are ineligible to receive JGA funding for the next three fiscal years.

d. Payment

- i. Within no later than 30 days after a complete reimbursement request is submitted to JGA, sub-grantees will receive a reimbursement check from the OCFO in the amount approved by JGA sent to the address of their identified financial point of contact. All questions regarding the timeliness or amount of these checks must be submitted via email to the JGA financial analyst.
- ii. As per the signed MOU with JGA, District agency sub-grantees must complete draw downs of all grant expenditures within 72 hours of confirmation of an approved reimbursement request from the OCFO, and are prohibited from drawing down funds different (increase or decrease) than the JGA approved amount. JGA ceases to review any submitted requests for reimbursement until such time as any and all drawdown discrepancies identified by JGA or delays in the drawdown process from previous requests are sufficiently addressed.